REMARKS

The status of the claims is as follows. Claims 1, 6, 18, 21 and 22 are currently amended. Claims 2, 6 and 16 are previously presented. Claims 3-5, 7-15 and 20 are canceled. Claim 17 is original.

Claims 1, 2, 6, and 16-22, stand rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. The Examiner cites "*the risk* of *default*"; "*at least one*" lease warranty criteria; *"and all subsequent potential renters"*; and *"after step b"* in claim 20. Applicant has currently amended claims 1, 21 and 22 deleting "*the risk* of *default*"; and *"and all subsequent potential renters"*. Claim 20 is canceled, and rolled into independent claims 1, 21 and 22. As to the phrase "*at least one*" lease warranty criteria, instead of "*a*" lease warranty criteria, Applicant contends that there is ample precedence for "*at least one*". Firstly, the original wording of claim 6 in the original application stated:

> 6. The method of claim 5 wherein the renter is qualified against the lease warranty criteria, regardless of: judgment for non-payment of rent, bankruptcy, automobile repossession, unpaid medical bills, unpaid student loans and lack of credit.

Original claim 1 implicitly states "at least one criteria", as there is substantially no credit check step (ii) when there is no consideration of "judgment for non-payment of rent, bankruptcy, automobile repossession, unpaid medical bills, unpaid student loans and lack of credit" as taught by claim 6. Secondly, Figure 2 illustrates one embodiment of the invention as shown in the flow diagram where if the renter has a felony then the other steps are not required. Therefore, the wording of "at least one" is appropriate.

The amended wording of in claims 1, 21, 22 (*providing a potential renter a chance to rent a desired residential space*) is supported by the specification. Page 2, line 11 of the specification states "What is needed is.....*a chance to rent a desired residential space*". Page 4 of the specification states "*The principal object of the present invention is to provide a means for individuals who are applying for a lease, but who do not qualify against conventional creditworthiness criteria, to be qualified under less stringent criteria with a third party*".

Applicant doesn't understand Examiner's last line on page 3 which says "The specification as originally filed did not disclose what applicant is not claiming and therefore the above limitations are considered to be new matter". In any case, Applicant has currently presented claims limited to the scope of the invention, which is a method *providing a potential renter a chance to rent a desired residential space.*

Claims 1, 2, 20-22, stand rejected under 35 U.S.C. 102b as being anticipated by Weatherly et al. (6049784). For claims 1, 21, 22 Weatherly discloses a lease guarantor that will provide a lease warranty to a landlord in the event that a renter has defaulted on their rent. The Examiner states that col. 4, lines 25-33 disclose that the renter must qualify for the lease warranty by satisfying guarantor's set of criteria. Applicant has reproduced Weatherly's claim 1 below, and underlined some of the elements present in Weatherly that are not present in Applicant's invention. The preamble tells the reader the inventions are different.

> 1. A computer-implemented method for creating and managing a lease agreement comprising the steps of:
>
> providing predetermined information regarding a potential lessee and a potential lessor to a lease control intermediary;
>
> evaluating said predetermined information by said lease control intermediary to determine an acceptability of a level of financial risk associated with said potential lessee;
>
> creating, upon determination of an acceptable risk level, a service product in the form

of a guaranty directed to periodic lease payments from said lease control intermediary to said potential for a predetermined amount defining a guaranty limit, said guaranty limit corresponding to a predetermined time period with said guaranty obligation becoming active upon failure of said potential lessee to pay periodic lease payments;

providing, upon determination of an acceptable risk level, a lease agreement for execution by said potential lessor, said potential lessee and said lease control intermediary and periodic lease payment material to said potential lessee directing payment of periodic lease payments to said lease control intermediary whereby, upon execution of said lease agreement, said potential lessee and said potential lessor become lessee and lessor, and said lease control intermediary becoming a guarantor of the lease payments; and

depositing periodic lease payments either received from said lessee or made by said lease control intermediary according to said service product into an account held by said lessor, said periodic lease payments having a management fee removed therefrom by said lease control intermediary.

The method as currently claimed in claims 1, 21 and 22 does not include: a lease control intermediary; nor an acceptable risk level associated with said potential lessee; nor a management fee. Furthermore, as stated in col. 1 lines 53-55, the stated object of Weatherly's invention is "to provide financial institutions with a heretofore unknown service product which will generate fees for the financial institution". The Examiner's reference to col. 4 line 66 to col. 5 line 9 teaches "The service product is in the form of a guaranty agreement 30 wherein the financial institution agrees to provide the landlord with at least three months or, in the case of a high risk product, a one month guaranty of rent payment regardless of the actions of the tenant or tenants. If the landlord L accepts the product, the lease agreement 32 is initiated, the guaranty 30 is activated, and an account (not shown in FIG. 1) for the landlord L and tenant T is set up on the computer system 10 which will track the flow of payments from the tenant T to the financial institution and from the financial institution to the landlord L." The payment includes the rent and a management fee. In claim 1, 21 and 22 the lease payment is made by the renter to the landlord. Weatherly teaches payment is made to the financial institution. In Applicant's invention, the landlord remains concerned with the actions of the tenant or tenants. If the landlord is concerned, then he will probably be a better landlord. Applicant's invention additionally does not claim a service product for a financial institution, which in addition to a guaranty, is substantially an automated collection and disbursement system (A computer-implemented method for creating and managing a lease

agreement). Applicant's method does not manage a lease agreement. Weatherly's disclosure in col. 4, lines 57-65 teaches finding a potential renter having a "credit model, which is a computerized data grouping indicative of an ideal applicant". In the Weatherly's invention, the potential renter needing a warranty lease would no doubt always be declined, as they wouldn't fit into an ideal credit model. In Applicant's invention, the method matches a renter with a desired residential space. Additionally, Weatherly does not teach *generating a list of landlords seeking to enter into a warranted lease, said potential renter utilizing the list to select the desired residential space*, as currently claimed in claim 1, 21 and 22. Weatherly's method is exclusive in that it weeds out renters (sends out letters to unqualified renters), while Applicant's method is inclusive (helps them find landlords with a space). Weatherly's invention discloses an automated method of assessing risk, collecting and dispersing rent. It is not a method of designed to expand the number of options for a renter. As the Examiner noted in the non-final office action, Applicant's specification does not have the word "Risk" anywhere in the specification, whereas Weatherly has an acceptable risk level associated with said potential lessee. As there are elements in claims 1, 21 and 22 are different than those taught by Weatherly, the 102 rejection is respectfully traversed. Applicant's invention is not anticipated by Weatherly. Claim 2 is a dependent claim depending from claim 1, and therefore by nature of it's dependency should also be allowed.

With regard to claim 20, the Examiner states on pages 6 and 7:

> For claim 20, the outputting of the list of landlords who will accept the renter are present in Weatherly because when you print the contract itself it will include the name of the landlord that is willing to and is accepting the renter. The name of the landlord willing to and who has accepted the renter constitutes a list as claimed. Also, the limitation of just generating a list of landlords,' with no further use of the list, is a limitation directed to the generation of non-functional descriptive material. Applicant never uses the list in any manner. Patentably distinguishing weight will not be given to claims. This is claiming non-functional descriptive material that does not serve as a limitation.

Applicant accepts that there can be only one name on a list of landlords. Needless to say, that single name would be useful, because it would identify that landlord seeking to enter into a warranted lease. However, to leap from the act of printing a contract (where there is almost

always one landlord entity and one renter entity) to saying this teaches a list of landlords who would accept a warranty by the guarantor is metaphorically equivalent to saying that the act of printing results in a telephone book. The lease contract no doubt has both parties' phone number, but that doesn't make the contract a telephone book. The Examiner's telephone book would only have two numbers, no matter how many people had telephones. The Examiner has also incorrectly asserted that a *list* is non-functional descriptive material. The Examiner has previously admitted that Weatherly does not teach generating a list of landlords willing to enter into the warranted lease agreement. Weatherly is not concerned with facilitating a renter in finding a landlord, but principally with automating the collection of rent. Claim 20 is canceled in this amendment, being rolled into claims 1, 21 and 22, but its relevance is enhanced.

Claims 6, 16 and 18 stand rejected under 35 USC 103(a) as being unpatentable over Weatherly et al. (US 6,0497,784). The Examiner argues that Weatherly in col. 1, lines 59-end teaches that a renter is evaluated to determine the acceptability of the level of financial risk associated with the lessee. From this statement the Examiner asserts "Based on this fact, one of ordinary skill ordinary skill in the art who was willing to accept a high level of financial risk associated with a potential renter to approve the renter even if they have non-payment of rent or student loans or medical bills or lack of credit, or bankruptcy, or auto repossession. These features are criteria that would be of interest to one of ordinary skill in the art who leases housing. One willing to accept a very high level of risk would find it obvious to qualify a renter as claimed, regardless of their past credit history, etc.." Firstly, Weatherly does not teach accepting a high level of risk. Weatherly teaches that that the potential renter is declined. In col. 2, lines 56-61, "If the comparison with the credit model, which is a computerized data grouping indicative of an ideal applicant, results in declining the applicants, the computer will generate an adverse action 60 letter 28 to the tenant, explaining the reasons they were declined." Secondly, the Applicant is not primarily concerned with risk, but a method that enables a renter *a chance to rent a desired residential space.* This is clearly stated in the currently amended claims and the specification beginning on page 2, line 11. To reiterate, the Examiner observed earlier that the specification does not contain the

word "risk", and he is correct. The claims claim a method of providing a potential renter a chance to rent. The Examiner has based many of his rejections on the "level of risk". Weatherly claims in claim 1 in col. 8, the steps of "creating, upon determination of an acceptable risk level, a service product in the form of a guaranty; and providing, upon determination of an acceptable risk level, a lease agreement of the actions of the tenant or tenants". Applicant's claimed method is not contingent "upon determination of an acceptable risk level". The Applicant discloses that at least one lease warranty criteria is examined, as evidence by claim 6 and figure 2. The invented and claimed method is inclusive, not exclusive. The Applicant's invention helps alleviate the socio-economic problem of restrictive housing. Unfortunately not everyone has good fortune, but everyone does need a place to live. For practical and altruistic considerations, some landlords would be moved to help a renter that does not have a sterling record, and the invented method facilitates matching a landlord with a potential renter. The claimed method facilitates this process. The fact that the method includes warranty criteria need not be limited to financial considerations, but as claimed in claim 6 also includes medical bills and student loans, which add societal considerations of how the debt was generated (i.e. sickness, education). The inventor was disturbed by the purely bottom line approach to his community's housing policies, and developed the method to mitigate the situation. Don't we want people to have a home, even though they were sick or injured, and went to school? A problem facing US soldiers today is that there is not adequate base housing, and hence the need for off-base housing. Many soldiers, their families and other contributors to the community have medical bills and student loans that are not covered by armed services. The guarantor can alleviate this problem, working in concert with landlords that have a similar concern. The invented method opens the rental system to those who need help the most, many of whom are protecting our country. The method works in part by opening up communication between those renters needing housing who are less that ideal candidates based on a FICA score, and identifying landlords who want to help. The Applicant's claim 16 reads that an ejectment conviction is required before the renter is in default. This requires a court hearing, and prevents fraud and sets the bar high enough that the guarantor has a reduced chance of being scammed by the landlord. The Examiner correctly states that the ejectment conviction also affords the tenant some due process rights, but then states that "This is also something that one of ordinary skill in the art would find negotiable and adjustable in the contract for the lease warranty itself." In

col. 6, line 53 Weatherly teaches that when the guaranty is satisfied the account is closed; substantially ending the relationship between the financial institution and the tenant and the landlord. The landlord is left holding the empty bag, and no legal eviction proceedings have begun. Weatherly is substantially mute on what happens when a renter is legally in default, and the Examiner is in error when he states that this is a contractual issue between the renter and landlord. It is a legal issue. Furthermore, Weatherly is mute on the practical considerations of a landlord turning over control and access to the lease payment to an intermediate financial institution. The ejectment conviction assures that all considerations had been properly weighted.

With regards to claim 18, the Examiner references col. 4, lines 11-17, where it is disclosed that an advertising campaign would be undertaken to attract landlords to use the guarantor service. An exact quote follows:

> The present method begins with the creation of a prospective landlord/prospective tenant relationship and the financial evaluation of the prospective tenant At the outset, the lease control intermediary may initiate an advertising campaign to attract landlords to the new service product.

Currently, most of claim 18 is incorporated into independent claims 1, 21 and 21, but the database portion remains. Applicant is not claiming an advertising campaign to attract landlords to a new service product, which is principally an automated collection and lease service product. An advertisement to use the guarantor service does not identify a landlord in a database. At best it may create a list of landlords to contact. The rejection is respectfully overcome.

Claims 17 and 19 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Weatherly et al. (6049784) in view of ATS, Inc. web site. ATS discloses a web site where information on prospective tenants is submitted for review. The exact quote from the archived web site is **ATS provides complete application screening, including credit reports, landlord/tenant court reports (evictions), bad check reports, employment verification, previous landlord verification and criminal background checks.** Applicant's claim 17

dependents from claim 16, which is a dependent claim reading on the eviction conviction, depending from claim 1. Claim 17 has all the limitations of claim 16 and claim 1, and in light of the current amendments and arguments, claim 17 is allowable.

Regarding claim 19, ATS discloses the use of the Internet for notifying the landlord of the results of a tenant check. The Examiner contends it would have been obvious to one of ordinary skill in the art at the time the invention was made to use the Internet in Weatherly to notify the landlord of a tenant being qualified as disclosed by ATS. Applicant's claim 19 depends from claim 18, which depends from claim 1. Claim 19 reads on landlords seeking to enter into a warranted lease. There was no such group in May 2001, so it would not be obvious to have a list of them in a database. The rejections to claims 17 and 19 are respectfully overcome.

Independent claim 21 reads on selling the warranty to the landlord, where Weatherly teaches that the renter pays both the lease and a management fee to the guarantor. Independent claim 22 reads on selling the warranty to the renter, so payment of the lease would go to the landlord and payment for the warranty would go to the guarantor. Since Weatherly teaches that the renter pays both the lease and a management fee are paid to the guarantor, all three independent claims 1, 21 22 are different than Weatherly.

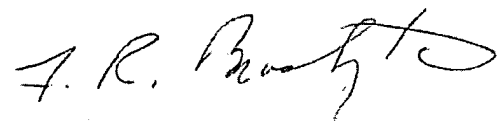
Applicant's representative notes that no customer number has been assigned to this case. The POA submitted with the petition to revive included the customer number of 25768. Applicant requests that the database be updated to reflect this change.

Applicant believes that in light of the amendments and remarks, the pending claims are now allowable. The inventor is prepared to offer an affidavit as to the interest by various civic organizations as to the utility of the invention in solving housing problems, and if need be, will participate in a telephonic interview with the Examiner.

Conclusion

In view of the foregoing amendment and the remarks, this application is now believed to be in condition for allowance and such favorable action is respectfully requested on behalf of Applicant. It is believed that there are no fees other those previous identified. The Examiner is encouraged to please contact the Applicant's representative at 704-301-3497 if there are any questions or any fees are due. The Applicant thanks the Examiner for his examination of this application. The Applicant reminds the Examiner of his duty to identify allowable matter.

Respectfully submitted,



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